

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Chit Fund Act, 1982 – Appeal Petition filed by Sri K.Kavi Raju and (3) others, Ananthapuramu Dist., against the award passed in Dispute No.DRA/CFS/410/2017 dated 25.9.2019 by the Deputy Registrar of Chits, Ananthapuramu – Orders – Issued.

REVENUE (REGN.II) DEPARTMENT

G.O.RT.No. 298

Dated: 27-02-2020

Read the following:-

1. Appeal Petition filed by K.Kavi Raju and (3) others, Ananthapuramu, dated 06.01.2020.
2. Govt. Letter No.REGSOACTS (CHITS)/03/2020, dated:31.01.2020 and 10.2.2020.

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ORDER:-

Sri K.Kavi Raju and (3) Others, Ananthapuramu have filed an Appeal Petition under Section 70 of the Chit Fund Act, 1982 against the award in Dispute No.DRA/CFS/410/2017, dated 25.09.2019 passed by the Deputy Registrar of Chits, Ananthapuramu.

2. Brief facts of the case is as follows:-

- (i) Sri K.Kavi Raju herein has joined the Chit Fund Company as a subscriber in a Chit Group No.FART11J for a value of Rs.5,00,000/- which is payable at the rate of Rs.10,000/- per month for a period of 50 months and the appellant herein has participated in the chit auction held on 24.01.2017 and became successful bidder having agreed to forego an amount of Rs.2,00,000/- out of chit value of Rs.5,00,000/- and after declaring as successful bidder, the appellant submitted 2 to 4 as guarantors, who executed an agreement of guarantee and also executed demand promissory note and other necessary documents in favour of Respondent No.1 (Chit Fund Company) and the company has paid the prize amount to Sri K.Kavi Raju. The appellant paid only 11 installments and thereafter committed default in paying the 12th installment i.e., from 10.05.2017 onwards. The 1st respondent herein has filed a dispute application before the Deputy Registrar of Chits, Ananthapuramu and the same was numbered as Dispute No.DRA/CFS/410/2017. The Deputy Registrar of Chits, Ananthapuramu sent notices to 1-4 respondents herein to appear before the Arbitrator/Dy. Registrar of Chits. The Deputy Registrar of Chits, Ananthapuramu has passed award in Dispute No.DRA/CFS/410/2017 dated 25.09.2019 in favour of the Respondent herein ordering that the company is entitled to recover a sum of Rs.4,33,559/- jointly and severally from opponents together with interest at the rate of 18% per annum on the principal amount of Rs.3,89,087/- from the date of filing of the dispute i.e., 29.12.2017 to till the date of realization and also Rs.16,455/- towards costs of the dispute.
- (ii) Aggrieved by the above said award, the appellant filed the present appeal.

3. The case is posted for hearing on 26.02.2020 at 11.00 a.m. The Counsel for the Appellant and the Counsel for Respondent (Chit Fund Company) attended. Heard both the parties.

4. Government after careful examination of the material available on record, allowed the appeal partly and the order passed by the Deputy Registrar of Chits, Ananthapuramu is hereby modified. The appellant herein who is the Opponent No.1 and his guarantors who are the other opponents in Dispute No.DRA/CFS/410/2017

[P.T.O.]

on the file of Deputy Registrar of Chits, Ananthapuramu are hereby directed to pay the Award amount of Rs.3,89,087/- with interest @ 12% from the date of filing of the dispute i.e., 29.12.2017 to till the date of realization alongwith costs of the dispute of Rs.16,455/- within 3 months i.e., by 27.05.2020. In default, the Respondent No.2 (Chit Fund Company) who is the disputant in Dispute No.DRA/CFS/410/2017 is at liberty to proceed as per Chit Fund Act,1982 to recover the award amount as decreed by Deputy Registrar of Chits, Ananthapuramu in Dispute No.DRA/CFS/410/2017 after 27.05.2020 from the opponents.

5. In exercise of powers conferred under section 70 of the Chit Fund Act, 1982, the Government is hereby partly allowed the appeal of the appellant being common understanding of both the parties and disposed of accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

1. The Dy. Registrar of Chits, Ananthapuramu
2. M/s Kapil Chits Hyderabad Pvt. Ltd., Ananthapuramu through the Dy. Registrar of Chits, Ananthapuramu.
3. Sri K.Kavi Raju, S/o. Narbahadur, R/o. H.No. 3-325, Marthipuram, S.K.University, Ananthapuram through the Dy. Registrar of Chits, Ananthapuramu.
4. Sri Chintha Govardhan, S/o. Nagaraju, R/o. H.No. 3-270, Pattawevers Colony, Akutthotapalli, Ananthapuramu through the Dy. Registrar of Chits, Ananthapuramu.
5. Sri K. Anjaneyulu, S/o. Venkataramanappa, R/o. H.No. 3-329, Akuthotapalli, Ananthapuramu through the Dy. Registrar of Chits, Ananthapuramu.
6. Sri D.Krishna Reddy, S/o. Narayana Reddy, R/o. H.No. 1-196, Akuthotapalli, Ananthapuram through the Dy. Registrar of Chits, Ananthapuramu.
7. Sri T.V.Jaggi Reddy and others, Advocates, Flat No. 212, Srichakra Residency, Tadepalli, Guntur Dist. Through the Dy. Registrar of Chits, Ananthapuramu.
8. The Commissioner & Inspector General, R&S, A.P., Vijayawada.
9. The P.S. to Spl. C.S. to Govt., Revenue (Regn) Dept.

//FORWARDED:BYORDER//

SECTION OFFICER